Return on Investment Program Funding Application (FY 2003 Request)

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.
FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

I T   P R O J E C T   E V A L U A T I O N

SECTION I: PROPOSAL

Date: 7/15/01

Agency Name: Human Services, Division of Data Management & Bureau of Collections

Project Name: Child Support Systems Road Map

Expenditure Name:

Agency Manager: Tish Eakle, Bureau Chief/ Marie Theisen, Bureau of Collections

Agency Manager Phone Number / E-mail: 515-281-7059/teakle@dhs.state.ia.us
515-281-8970/mtheise@dhs.state.ia.us

Executive Sponsor (Agency Director or Designee): Nancy Thoma, Human Services, Bureau of Collections

Request For ROI Application Waiver:

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over $100,000, or any non-routine IT expenditure. <u>If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request.</u> Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

Explanation:

A. Project or Expenditure Rationale

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute? ☐**YES** (If "YES," explain) ☒ **NO**

Explanation:

Is this project or expenditure required by State statute? ☐ **YES** (If "YES," explain) ☒ **NO**

Explanation:

Does this project or expenditure meet a health, safety or security requirement?
☒**YES** (If "YES," explain) ☐ **NO**

Explanation: The current ICAR application provides system functionality to avoid security, health and safety issues for our customers and personnel. The proposed study should take into consideration needed enhanced security features to meet the required federal standards for child support automated systems under 45 Code of Federal Regulations. We need to assure we address security & safety of participants due to domestic violence and ensure we are protecting participants from disclosure. A new business process for a more efficient method of obtaining and recording health insurance to promote healthy kids, needs addressed through the ICAR Roadmap project.

Is this project or expenditure necessary for compliance with an enterprise technology standard?
☐ **YES** (If "YES," explain)   ☒ **NO**

Explanation:

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?
☒ **YES** (If "YES," explain)   ☐ **NO**

Explanation: In reviewing the Governor's 2010 Strategic Plan, the 100% E-Commerce initiative, the first step is to evaluate our current legacy systems and position ourselves to better meet these goals & objectives. Our IS organization must develop coherent plans to support IT demands of short term and long term.

Is this a "research and development" project or expenditure?   ☐ **YES** (If "YES," explain)   ☒ **NO**

Explanation:

B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response: Pre-project Description : We must enable our IT systems to provide efficient and high quality services to our citizens and workers. Since the inception of this system in 1986, we have been layering changes & modifying the design as required by the Federal Family Support Act of 88 and the Federal Personal Responsibility and Work Opportunity Reconciliation Act. Barriers to meet the goals for a digital government are being experienced as we attempt to utilize new technology with a very large legacy system.

Post-Project Description: A study and plan should identify the best technology direction for our child support system that meets the IT demands for both short term and long term business needs as well as consistency with Federal requirements. It is our goal to ensure good business practices are considered, that our child support system is one that provides tangible benefits, and added value to our customers. The plan would take into consideration technology that would improve electronic interfacing capabilities consistent with the technology direction of the State's infrastructure. The plan would provide options on how to migrate to a platform that would be in line with the State's technology direction. The study/plan could give us suggested solutions & action steps for technology and the pros/cons, the steps that fit our business needs, and how to further enhance the use of the web environment with fewer technology barriers than we are faced with today. A study/plan could answer questions such as: a) Is the mainframe platform the best solution in the future? B) If not, what are our options? The study/plan would become a road map for child support systems which would align with the Governor's 2010 Plan or strategic plan for Iowa as well as be consistent with Federal requirements.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response: A roadmap or plan for improved use of technology should position us to improve customer services to Iowa citizens or government. Improved technology could result in ease of use & further efficiencies for employers and financial institutions in providing employment, asset information, and for processing levies and wage withholding for child support. Customer service personnel could utilize a new application which could improve responding to customers more quickly. Case workers might learn application processes in less time due to the system directing the worker to the next entry in a more automated fashion. Customers could access data through web applications for such things as their status of their accounts . Managers might be able to produce performance reports more timely.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

Response: There will be a variety of major stakeholders including other agencies, agency employees, citizen clients, employers, financial institutions and our federal partners. See comments above.

SECTION II: PROJECT ADMINISTRATION

A. Agency Information

1**.** Project Executive Sponsor Responsibilities: The sponsor must have the authority
to ensure that adequate resources are available for the entire project, that there is
commitment and support for the project, and that the organization will achieve
successful project implementation.

Response: No response required.

2. Organization Skills:
a. List the project management skills necessary for successful project implementation
b. List the project management skills available within the agency
c. List the source(s) of project management skills lacking within the agency
d. Summarize relevant agency project management experience and results

> **Response:**
> a) Skills to ensure the vendor, staff from DHS and staff from ITD are meeting deadlines and provide quality
> updates. Skills to ensure cost benefit analysis is completed on all aspects of the study.
> b) Project management skills are available within the DHS and ITD office as well as a good understanding of
> the business needs.
> c) The Collections & ICAR Bureau's routinely use project management tools & practices, including project
> plans, Gantt charts, status reports, etc. The Bureau's project management database is updated to assist with
> monitoring, tracking & project progress.
> d) The Collections and ICAR Bureau's have had previous experience with management of large projects
> with large system changes due to Family Support Act of 88 and PRWORA of 96, a 3 year project with a
> $16,022,612 budget whereby we became the 2nd state in the nation to have a fully certified system by the
> Federal Government

B. Project Information

1. History:
a. Is this project the first part of a future, larger project? If so, please explain.
b. Is this project a continuation of a previously begun project? If so, please
explain project history, current status, and results.

> **Response:**
> a) Yes, this is a one-time study to prepare a written plan or options for future direction in system
> development for child support. It could lead us to future projects dependent on the recommendations.
> b) No.

2. Expectations: Describe the primary purpose or reason for the project.

IT PROJECT EVALUATION

Response: The primary purpose of the project is to protect the tax payer's investment in automating child support to meet Federal requirements. Additionally, the purpose is to assure we continue to meet Federal requirements and produce child support collections and revenue targets for future years. A study is being requested to comply with a specific Federal expectations. Chapter II of the Guide for States Automated Systems for Child Support Enforcement indicates in order to be certified, a State's automated Child Support Enforcement (CSE) system must be comprehensive, operate statewide, and meet the standards of efficiency & effectiveness and the principles of an integrated system as set forth in the guide. The Federal office recognizes that due to many system changes implemented for Welfare Reform, legacy systems may no longer be in alignment with the business process needs. It is further suggested that States review the technology platform and system efficiencies as recommended per the Information Technology Project report (WRIT). Refer to web site www.acf.dhhs.gov/programs/oss/WRITReport/ Funding for State's automated data processing systems is supported by federal funded child support programs and subject to 45 Code of Federal Regulations. Federal Regulation requires a feasibility study, alternative and cost benefit analysis to be conducted and submitted for approval to federal government for development of any new system. In 45 Code of Federal Regulations, section 307.13 Security guidelines are addressed related to monitoring of access and having the ability to promptly identify unauthorized access or use.

3. <u>Measures</u>: Describe the criteria that will be used to determine if the project is successful.

Response: The results of the roadmap/plan should identify how to provide qualitative and quantified benefits. The key measures will be in the areas of reduced cost and increase automation that is in compliance with federal requirements.
1. The plan should identify areas to improve staff and system efficiencies. It should focus on reduction in time to handle case and system processes. The study should identify and assess technology options which may include changes to the legacy mainframe platform which retains critical functions and allows flexibility and reduction in operational costs.
2. The plan should focus on ways to improve our data collection, and ad hoc reporting capabilities to reduce IT programming costs and to allow for better decision-making about outcomes.
3. The plan should address an improved training and testing environment to create staff savings in time. 4. Proposed customer service applications should allow customers to view their case information or apply for service that would automatically set up a case. This type of system enhancement would reduce the number of calls we receive so we could divert our staff to increasing child support collections.
5. The plan should address security and backup efficiencies to adequately protect data on our customers/citizens.
6. The plan should consider a system that continues to be available to customers 24 x 7 with minimal system outages.
7. The plan should allow us to improve technical and business documentation which would reduce staff learning curve and knowledge transfer.

4. <u>Environment</u>: List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

Response: The would be a multiple-agency effort between Iowa's ITD & DHS, and Federal OCSE. Other participants at a higher level would be citizens we serve, and agencies we interface with such as IWD, DPH, DRF, DNR, DOT, DOC.

5.   Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

> **Response:**   If we do not conduct the strategic study and have a roadmap for our IT systems, we are not positioned to maximize our efficiency in serving citizens or to implement cost saving procedures.

6.   Security / Data Integrity / Data Accuracy / Information Privacy
   a. List the security requirements of the project
   b. Describe how the security requirements will be integrated into the project and tested
   c. Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

> **Response:**
> a)   Adherence to our DHS Confidentiality policy.
> b)   Not applicable as this is a study.
> c)   Orientation to our DHS Confidentiality policy as well as ITD security standards.

7.   Project Schedule
   Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

> **Response:**
> | | | |
> |---|---|---|
> | July 15,2002 | Hire vendor & establish a project plan | State staff |
> | Oct 15, 2002 | Business Needs Review completed to include State & Federal staff -future vision & what new things do we know. | Vendor & State |
> | Oct 30, 2002 | Complete a Review of system main processes (cash, forms, narration, imaging, online vs batch, CATS) | Vendor & State |
> | Oct 30, 2002 | Complete review of existing technology platforms in DHS & State/ITD. | Vendor & State staff |
> | Oct 30, 2002 | Complete review of other available technology to consider. | Vendor |
> | Feb 28, 2003 | Develop draft plans for State to consider, i.e.: a) Keep ICAR/new system in sync while development occurs, b) convert data to new platform if applicable, c) phasing out system modules, d) staffing levels to maintain existing system, e) staffing levels to develop & maintain new system. | Vendor & State staff |
> | Mar 30, 2003 | Complete cost benefit analysis | Vendor & state |
> | May 30, 2003 | Present formal roadmap | Vendor |

SECTION III: TECHNOLOGY (In written detail, describe the following)

A. Current Technology Environment
   1. <u>Software (Client Side / Server Side / Midrange / Mainframe):</u>
      a. Application software
      b. Operating system software
      c. Major interfaces to other systems, both internal and external

   > **Response:**
   > a. NA
   > b. NA
   > c. NA

   2. <u>Hardware (Client Side / Server Side / Mid-range / Mainframe):</u>
      a. Platform, operating system
      b. Storage and physical environment
      c. Connectivity and bandwidth
      d. Logical and physical connectivity
      e. Major interfaces to other systems, both internal and external

   > **Response:**
   > a. NA
   > b. NA
   > c. NA
   > d. NA
   > e. NA

B. Proposed Technology Environment

   1. <u>Software (Client Side / Server side / Mid-range / Mainframe)</u>
      a. Application software
      b. Operating system software
      c. Major interfaces to other systems, both internal and external
      d. General parameters if specific parameters are unknown or to be determined

   > **Response:**
   > a. NA - Key purpose of this project is for a proposal that makes recommendations in this area along with hardware recommendations consistent with the business needs & the State's strategic plan.
   > b. NA
   > c. NA
   > d. NA

   2. <u>Hardware (Client Side / Server Side / Mid-range / Mainframe)</u>
      a. Platform, operating system
      b. Storage and physical environment
      c. Connectivity and Bandwidth
      d. Logical and physical connectivity
      e. Major interfaces to other systems, both internal and external

f. General parameters if specific parameters are unknown or to be determined

> **Response:**
> a. NA - Key purpose of this project is for a proposal that makes recommendations in this area along with hardware recommendations consistent with the business needs & the State's strategic plan.
> b. NA
> c. NA
> d. NA
> e. NA
> f. NA

C. Data Elements
If the project creates a new database, provide a description of the data elements.

> **Response:** NA

SECTION IV: Financial Analysis

**A. Budget:** Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[\left(\frac{Budget\ Amount}{Useful\ Life}\right)\times\%\ State\ Share\right]+\left(Annual\ Ongoing\ Cost\times\%\ State\ Share\right)=Annual\ \Pr orated\ Cost$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff	$210084	5	34%	$0	34%	$14,286
Software	$	4	%	$	%	$
Hardware	$36593	3	34%	$0	34%	$4147
Training	$	4	34%	$	%	$
Facilities	$	1	%	$	%	$
Professional Services	$851760	4	34%	$0	34%	$72400
ITD Services	$72800	4	34%	$	34%	$6188

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Supplies, Maint, etc.	$	1	%	$	%	$
Other (Specify)	$	1	%	$	%	$
Totals	$1171237	-------	-------	$	------	$97,021

Transfer this amount to the ROI Financial Worksheet, item "D" on page 13.

IT PROJECT EVALUATION
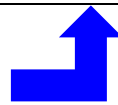
B. Funding: Enter data or provide response as requested

1.   This is (pick one):   ☒ A Pooled Technology Fund or Reengineering Fund Request
    ☐ An Agency IT Expenditure or Budget Request (General Fund, Road Funds, etc)
    ☐ Other – Specify:

2.   On a fiscal year basis, enter the estimated cost by funding source?

	FY03		FY04		FY05	
	Cost ($)	% Total Cost	Cost ($)	% Total Cost	Cost ($)	% Total Cost
State General Fund	$	%	$	%	$	%
Pooled Tech. Fund	$398221	34%	$	%	$	%
Federal Funds	$773016	66%	$	%	$	%
Local Gov. Funds	$	%	$	%	$	%
Grant or Private Funds	$	%	$	%	$	%
Other Funds (Specify)	$	%	$	%	$	%
Total Project Cost	$1171237	100%	$	100%	$	100%

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

> **Response:** Not applicable – one time study

1.   On a fiscal year basis, how much of the total ($ amount and %) project / expenditure cost would be <u>absorbed</u> by your agency from normal operating budgets (all funding sources)?

> **Response:** The Bureau of Collections will provide office space, utilities and normal office supplies. The value of these items is minimal.

2.   Identify, list, and quantify all <u>new annual ongoing</u> (maintenance, staffing, etc.) related costs (State $s) that will be incurred after implementation or expenditure.

> **Response:** Not applicable – one time study

C. ROI Financial Worksheet: Respond to the following and transfer data to the ROI Financial Worksheet (see IVC11) as necessary:

1.   Annual Pre-Project Cost – Quantify all <u>actual</u> state government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process <u>prior to</u> project implementation. This section should be completed only if state government <u>operations</u> costs are expected to be reduced as a result of project implementation.

> **Response:** Not applicable – one time study

2.   Annual Post-Project Cost – Quantify all <u>estimated</u> State government direct and indirect costs associated with activity, system or process <u>after</u> project implementation. This section should be completed only if State government <u>operations</u> costs are expected to be reduced as a result of project implementation.

> **Response: Not applicable – one time study**

3.   State Government Benefit -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost."   This section should be completed only if State government <u>operations</u> costs are expected to be reduced as a result of project implementation.

> **Response:**   Not applicable – one time study

4.   Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens**.** This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of $10 per hour for citizen time savings and $.325 per mile for travel cost savings.

> **Response:**   Not applicable – one time study

5.   Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual <u>non-operations</u> benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

> **Response:**   The state appropriated funds used to pay for cost of the study will be matched at 66%
> federal funds ($773,016).

6.   Total Annual Project Benefit -- Add the values of all annual benefit categories.

> **Response:** $773,016 federal matching funds for study

7.   Total Annual Project Cost – It is necessary to <u>estimate and assign</u> a useful life figure to <u>each</u> cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all <u>new</u> annual ongoing costs that are project related. Completing <u>Section IV-A, Project Budget</u> of the evaluation document will provide all the necessary information for this item.

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> **Response:** $97,021

8.   Benefit / Cost Ratio – Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

> **Response:** $773,016 / $97,021 = 8.0

9.   ROI -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the requested State IT project funds.

> **Response:**   ($773,016 - $97,021)/$398,221 = 170%

10.   Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a "1 – 10" basis, with "10" being of highest importance. Check the "Benefits Not Readily Quantifiable" box in the applicable row.

> **Response:**
> 1. The study will permit DHS to comprehensively plan for an improved electronic system to more effectively provide services to child support participants. - 10
> 2. A study deliverable will be a requirement to develop an IT system which is compatible with current IT enterprise standards. - 10

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11. ROI Financial Worksheet

Annual Pre-Project Cost - How You Perform The Function(s) Now

FTE Cost (salary plus benefits):	$0
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$0
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$0
A. Total Annual Pre-Project Cost:	$0

Annual Post-Project Cost – How You Propose to Perform the Function(s)

FTE Cost:	$0
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$0
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$0
B. Total Annual Post-Project Cost:	$0
State Government Benefit (= A-B):	$0

Annual Benefit Summary

State Government Benefit:	$0
Citizen Benefit:	$0
Opportunity Value or Risk/Loss Avoidance Benefit:	$773016
C. Total Annual Project Benefit:	$773016
D. Annual Prorated Cost (SECTION IV-A):	$97,021
Benefit / Cost Ratio: (C / D) =	8.0
Return On Investment (ROI): (C – D / Requested Project Funds) x 100 =	**170%**

☒ **Benefits Not Readily Quantifiable**

IT PROJECT EVALUATION

Section V: ITC Project Evaluation Criteria

	Criteria and Location in Project Evaluation Document	Points
1.	Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards? **Location: Section I-A**	**15**
2.	Will the project improve customer service? **Location: Section I-B.2**	**15**
3.	Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with Iowans? **Location: Section I-B.3**	**10**
4.	Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income? **Location: Section IV-C**	**10**
5.	Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans? **Location: Section I-B.1**	**10**
6.	Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs. **Location: Section II-B.5**	**10**
7.	Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy? **Location: Section II-B1, IVB2**	**10**
8.	Will the project be for only one agency, multiple agencies, or the state government enterprise? **Location: Section I-B3, IIB4**	**10**
9.	Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding) **Location: Section IV-B.2, IV-B.3**	**5**
10.	What is the credibility of the requester based on past performance on other projects? **Location: Section II-A.2.d**	**5**
	Total	**100**